

RICK BERG  
NORTH DAKOTA

COMMITTEE ON  
WAYS AND MEANS  
SUBCOMMITTEE ON  
SELECT REVENUE MEASURES

SUBCOMMITTEE ON  
HUMAN RESOURCES

SUBCOMMITTEE ON  
SOCIAL SECURITY

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-3401  
October 18, 2011

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Ms. Maren Daley  
Executive Director, Job Service North Dakota  
1000 East Divide Avenue  
Post Office Box 5507  
Bismarck, North Dakota 58506-5507

Dear Ms. Daley:

Thank you for testifying at the Ways and Means Human Resources Subcommittee hearing assessing the President's Proposals to Help the Long-Term Unemployed. Again, I was so proud to have North Dakota represented on our panel to talk about some of the great things that we are doing to get people back to work.


In order to complete the record of the hearing, please respond to the following questions by November 1, 2011:

1. In your written testimony, you talk a lot about state flexibility and I agree - we need more of it. In the Administration's plan, we see a renewed emphasis on worksharing. It's a way to reduce hours, provide benefits, and prevent layoffs. But one of the criticisms we hear about worksharing is the high administrative costs because it increases the number of recipients and involves burdensome benefit calculations. Also, we know other states have struggled to implement it. But in North Dakota, we've figured out a system that works. Can you tell us more about how the program works in North Dakota and how our state can afford to pay it?
2. Your written testimony also discusses the intensive reemployment workshops that North Dakota has implemented and the positive results that workers have seen from participating in them. Would you discuss more about what occurs in those workshops and what the feedback is from the workers and the employers who hire them?

The Committee relies on electronic submissions for printing of the official record. Therefore, please send an electronic submission in Word format to Danielle Janowski of my staff at [danielle.janowski@mail.house.gov](mailto:danielle.janowski@mail.house.gov) and Tim Ford of the Ways and Means Human Resources Subcommittee staff at [timothy.ford@mail.house.gov](mailto:timothy.ford@mail.house.gov). If you have any questions concerning this matter, please feel free to contact Danielle at 202-225-2611.

Again, thank you so much for coming to testify. It was a pleasure to visit with you and I know that everyone appreciated hearing your insight on how we can get workers back to work and our country back on track.

Sincerely,

  
Rick Berg  
Member of Congress



October 26, 2011

The Honorable Rick Berg  
Subcommittee on Human Resources  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515-3401

Dear Representative Berg:

My response to the House Ways and Means Human Resources Committee Testimony Questions, as outlined in your letter dated October 18, 2011 are below.

Question 1.

In your written testimony, you talk a lot about state flexibility and I agree – we need more of it. In the Administration's plan, we see a renewed emphasis on worksharing. It's a way to reduce hours, provide benefits, and prevent layoffs. But one of the criticisms we hear about worksharing is the high administrative costs because it increases the number of recipients and involves burdensome benefit calculations. Also, we know other states have struggled to implement it. But in North Dakota, we've figured out a system that works. Can you tell us more about how the program works in North Dakota and how our state can afford to pay it?

Answer 1.

Although we are not opposed to worksharing programs, in North Dakota we utilize a fairly substantial earnings disregard to achieve many of the same outcomes of worksharing, but in a less complicated manner. An earnings disregard is a dollar amount that a claimant is allowed to earn without impacting the unemployment insurance benefits they are receiving. In other words, it allows individuals to receive unemployment insurance benefits at the same time that they are working a reduced schedule. The higher earnings disregard lessens the barriers of keeping workers connected to work without risk of losing the entire safety net of unemployment benefits. It reflects a culture that does not punish the unemployed for making the effort to work when only limited work is available or while they are awaiting recall to their primary job.

Although an earnings disregard is utilized in most states, the earnings disregard in North Dakota is a higher amount than typically seen elsewhere. In North Dakota, an individual can earn up to 60% of their unemployment insurance weekly benefit

amount (WBA) with no impact upon the benefit amount they receive. For example, if the claimant's WBA was \$300, the individual could earn \$180 that week from employment and still receive the entire benefit payment of \$300. If the level of earnings the claimant receives from employment exceeds 60%, there is a dollar-for-dollar reduction in their unemployment insurance benefit payment for that week for the amount exceeding 60%.

The outcome of utilizing the earnings disregard in this manner is that employers are able to reduce the hours of their employees and continue operations during periods of low activity. This ultimately benefits both workers and employers. Workers are not permanently laid off and employers are able to retain a skilled and trained workforce.

Using the earnings disregard in this manner in North Dakota is not a new concept, and was not implemented in response to the nationwide focus on worksharing. In fact, even with the earnings disregard in place, the North Dakota Legislature statutorily required that a workshare pilot project be implemented in North Dakota in 2003 to determine whether it should become a permanent fixture within the North Dakota unemployment insurance system. The experience of worksharing in North Dakota was not positive, not because the concept is bad, but because of the costs of implementation and the complexity of administration. Costs for establishing the program were very high due to the extensive main frame computer re-programming required to calculate benefit payments. Additionally, administration was very time intensive, and required a substantial level of effort from both employers and Job Service North Dakota. Ultimately, the Legislature removed workshare from statute.

The 60% earnings disregard works in North Dakota because it did not require significant computer re-programming, and ultimately does not require a significant level of administrative effort from either employers or Job Service North Dakota. In regards to computer programming, because the earnings disregard is a long-standing function of the program, changing the percentage of disregard is a fairly simple programming effort. Administratively, employers do not have to provide any specific information relating to the reduction of hours and Job Service North Dakota is not required to take any additional steps to administer the reduction because the benefit calculations are automated. The costs of benefits paid are affordable, with the employer ultimately being charged for unemployment insurance benefits paid as with any unemployment insurance claim in North Dakota. Benefit charges are not subsidized by the state, federal government, or other employers. The higher earnings disregard works in North Dakota, in part, because we have job demand and retention of workers is critical; worksharing may be a better fit in other states where job development is greatly needed. Also, the higher earnings disregard functions well with the seasonal nature of layoffs in North Dakota. There is often part time work available in the off season. These unique state differences emphasize the point that effective reemployment initiatives are most cost effective and best determined at the state

level, and I would encourage funding of an overall effective reemployment program designed by states rather than funding for specific reemployment project initiatives.

Question 2.

Your written testimony also discusses the intensive reemployment workshops that North Dakota has implemented and the positive results that workers have seen from participating in them. Would you discuss more about what occurs in those workshops and what the feedback is from the workers and the employers who hire them?

Answer 2.

Intensive Reemployment Workshops were provided across the state during the months of January 2011 through June 2011. These workshops were funded with Wagner/Peyser RES dollars through the American Recovery and Reinvestment Act. The workshops consisted of one day devoted to basic computer skills training and three days addressing job search; resumes, cover letters, and employment applications, and interviewing.

Many employers require job applications be submitted online and many of the unemployed workshop participants did not know how to use a computer. Therefore, it was critical that day one of the workshop consisted of basic computer skills, including an introduction to a computer and components; mouse, keyboard, flash drives and saving documents. Word processing was introduced using Microsoft Word. Participants learned how to change font, copy and paste, navigate documents, insert text, and format. These new skills were reinforced by creating a cover letter and professional resume.

Participants learned about Internet Explorer. Topics included web page URLs, web search engines, favorites, home pages and history. Individuals established a professional email account and learned how to open, delete, attach, and send documents in an email.

Day two consisted of a half day discussing various resources available through Job Service North Dakota. Participants were given a demonstration of our website, [jobsnd.com](http://jobsnd.com) including navigation basics for employment websites, which included how to search and apply for jobs online. Discussions also included the SHARE network (community support resources), our labor market information site, NDWIN, O\*Net online and federal jobs posted online. Participants received tours of the One-Stop Career Centers and an overview of all services including the Workforce Investment Act, career exploration sites, and resume software.

The remainder of Day two included identification of skills, abilities and education, and how these skills could be transferable to other occupations. Participants discussed how skills transferability could broaden the scope of participant's job searches and build awareness of expanded job opportunities. Workshop participants also learned how to use networking connections to aid their job search.

Day three of the workshop consisted of practical application of the knowledge gained for completing job applications, creating cover letters and resumes.

The final day of the session provided participants with many suggestions and tips on how to prepare for an interview as well as examples of interview questions. Participants were given an opportunity to practice interviewing and learned the importance of making follow up contacts with employers. The intent of this session was to help gain the confidence needed to "ace that interview".

All participants completed the workshops motivated and prepared to seek employment with new resources, skills, cover letter, professional resume and interview experience.

The average duration for claimants attending the workshop was 7.32 weeks compared to the State's overall average duration for claimants not returning to their employer was 11.28 weeks (08/2010 to 07/2011) . This translates into significant savings for the unemployment insurance trust fund.

### **Intensive Reemployment Workshop Comments from Participants**

#### Overall Comments

*"It would be so beneficial if the Reemployment Workshop could be offered closer to the time that you apply for Employment Benefits."*

*"I would make this program a permanent feature so that all people who are unemployed have a chance to utilize it."*

*"Extremely informative workshop and would highly recommend it!"*

*"Do this seminar earlier in the unemployment process, possibly like in the first month."*

#### What would you say about this workshop to someone who is looking for work?

*"Very, very beneficial. I definitely recommend this workshop to future unemployed"*

The Honorable Rick Berg  
October 26, 2011  
Page 5

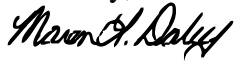
*"Be sure to attend. I don't know what to expect but really was excited for the next day of class. It was very informative and a very comfortable classroom setting"*

*"I would advise everyone that has the opportunity to use this workshop"*

*"That it was amazingly helpful and useful."*

*"You will learn something you never thought about before, no one goes away without something."*

Sincerely,

A handwritten signature in black ink, appearing to read "Maren L. Daley".

Maren L. Daley  
Executive Director  
Job Service North Dakota